

THE TORONTO STOCK EXCHANGE

5/10/72.

FILING STATEMENT NO. 1845.

FILED, OCTOBER 13, 1972.

RAM PETROLEUMS LIMITED

Full corporate name of Company

Incorporated under The Corporations Act (Ontario) by
Letters Patent dated February 14, 1958.

Particulars of incorporation (e.g., incorporated under Part IV of the Corporations Act, 1953
 (Ontario) by Letters Patent dated May 1st, 1957).

FILING STATEMENT

(To be filed with respect to any material change in a company's affairs, including among other things,
 an underwriting and option agreement, an issue of shares for property and a proposed re-organization.)

1. Brief statement of the material change in the affairs of the company in respect of which this statement is filed.	<p>(a) Offering to shareholders of rights to purchase pro rata a maximum of 401,501 treasury shares (see item 6.)</p> <p>(b) Standby commitment to purchase, for investment purposes sufficient shares (if any) to net the treasury \$800,000 (see item 6 and 7.)</p> <p>(c) The granting of an employee incentive option (see item 6 for particulars)</p>
2. Head office address and any other office address.	Suite 1000, 401 Bay Street, Toronto 103, Ontario.
3. Names, addresses and chief occupations for the past five years of present or proposed officers and directors.	<p>Howard R. Barclay, R.R.#2, Whitby, Ontario - Director Vice-President, Guaranty Trust Company of Canada.</p> <p>Richard H. Krempulec, 1074 Robarts Road, Oakville, Ontario - Secretary & Director. Barrister & Solicitor</p> <p>Ralph W. McDowell, 14 Ivor Road, Toronto 319, Ontario - Director. President of Hofstetter Ltd. and President of Visirecords Systems Canada Ltd.</p> <p>R. J. Opekar, 39 Maple Avenue, Toronto, Ontario - President & Director. President of Ram Petroleums Limited.</p> <p>R. Bredin Stapells, O.C., 35 Maple Avenue, Toronto, Ontario - Director. Barrister & Solicitor.</p>
4. Share capitalization showing authorized and issued and outstanding capital.	<p>Authorized: 150,000 6% non-cumulative preference shares redeemable at par value \$1.00. 8,000,000 common shares, par value \$.25.</p> <p>Issued: 3,212,012 common shares, par value \$.25</p>
5. Particulars in respect of any bonds, debentures, notes, mortgages, charges, liens or hypothecations outstanding.	none
6. Details of any treasury shares or other securities now the subject of any underwriting, sale or option agreement or of any proposed underwriting, sale or option agreement.	See Schedule "A" on page 3.
7. Names and addresses of persons having any interest, direct or indirect in underwritten or optioned shares or other securities or assignments, present or proposed, and, if any assignment is contemplated, particulars thereof.	Robert J. Opekar, 39 Maple Avenue, Toronto, Ontario is the only party having any interest in any shares which may be purchased pursuant to the standby underwriting referred to in item 6.
8. Any payments in cash or securities of the company made or to be made to a promoter or finder in connection with a proposed underwriting or property acquisition.	none
9. Brief statement of company's future development plans, including proposed expenditure of proceeds of sale of treasury shares, if any.	<p>Because of the recent discovery of oil in the Petrolia East reef near Petrolia, Ontario, the Corporation has decided to allocate \$200,000 for development of this property over the next four months. In addition to the development drilling the Corporation plans to continue its policy of exploration drilling. Two such Silurian pinnacle exploratory tests in Ontario and a particip- ation in two tests in Michigan are planned before the end of 1972. The balance of the proceeds from the rights offering, namely \$600,000, will be used to repay the \$600,000 advanced by Robert J. Opekar to the Corporation by way of temporary loan and used by the Corporation to retire its bank indebtedness of \$425,151 with the balance being applied to working capital.</p>

10. Brief statement of company's chief development work during past year.	See Schedule "B" on page 4.																				
11. Names and addresses of vendors of any property or other assets intended to be purchased by the company showing the consideration to be paid.	not applicable																				
12. Names and addresses of persons who have received or will receive a greater than 5% interest in the shares or other consideration to be received by the vendor. If the vendor is a limited company, the names and addresses of persons having a greater than 5% interest in the vendor company.	not applicable																				
13. Number of shares held in escrow or in pool and a brief statement of the terms of escrow or the pooling agreement.	none																				
14. Names and addresses of owners of more than a 5% interest in escrowed shares and their shareholdings (If shares are registered in the names of nominees or in street names, give names of beneficial owners, if possible.)	not applicable																				
15. Names, addresses and shareholdings of five largest registered shareholders and if shareholdings are pooled or escrowed, so stating. If shares are registered in names of nominees or in street names, give names of beneficial owners, if possible, and if names are not those of beneficial owners, so state.	<p>According to the records of the Corporation's stock registrar and transfer agent the following are the five largest registered shareholders and to the best of the knowledge of the Corporation persons listed as beneficial owners are in fact the beneficial owners of such shares:</p> <table><tr><th>Registered Owner</th><th>Number of Shares</th><th>Beneficial Owner</th></tr><tr><td>Laver Limited c/o Bank of Butterfield Executor & Trustee Company Limited, Box 1735, Hamilton, Bermuda</td><td>1,386,965</td><td>Laver Limited*</td></tr><tr><td>Tronbar & Co. #2 Account, 375 Bay Street, Toronto, Ontario</td><td>200,500</td><td>Howard R. Barclay</td></tr><tr><td>Opekar Investments Limited 185 Bay Street, c/o Gray Butcher & Frost, Toronto, Ontario</td><td>150,000</td><td>Opekar Investments Limited</td></tr><tr><td>Lake & Co. Bank of Montreal, 15 King Street West, Toronto, Ontario</td><td>149,500</td><td>Not known</td></tr><tr><td>Tom & Barnt Limited, 88 Richmond Street West, Toronto, Ontario</td><td>74,750</td><td>Not known</td></tr></table> <p>*Laver Limited is the controlling shareholder of the Corporation through the beneficial ownership of 1,524,565 shares. If Laver Limited subscribes for any of the shares of the Corporation through the rights referred to in item 1(a) the requirements of The Toronto Stock Exchange are such that Laver Limited would not be permitted to sell any of the common shares of the Corporation owned by it through the facilities of the Exchange for a period of six months from the date of the said rights offering. In view of these requirements Laver Limited has decided not to exercise any of the said rights and will be selling all of its rights through the facilities of The Toronto Stock Exchange by means of an open market distribution at market prices prevailing from time to time acceptable to the selling shareholder upon a Statement of Material Facts having been accepted for filing by The Toronto Stock Exchange and the Ontario Securities Commission.</p> <p>Laver Limited to offer 800,000 previously issued shares of the Corporation through the facilities of The Toronto Stock Exchange by means of an open market distribution at market prices prevailing from time to time acceptable to the selling shareholder upon a Statement of Material Facts having been accepted for filing by The Toronto Stock Exchange and the Ontario Securities Commission.</p>			Registered Owner	Number of Shares	Beneficial Owner	Laver Limited c/o Bank of Butterfield Executor & Trustee Company Limited, Box 1735, Hamilton, Bermuda	1,386,965	Laver Limited*	Tronbar & Co. #2 Account, 375 Bay Street, Toronto, Ontario	200,500	Howard R. Barclay	Opekar Investments Limited 185 Bay Street, c/o Gray Butcher & Frost, Toronto, Ontario	150,000	Opekar Investments Limited	Lake & Co. Bank of Montreal, 15 King Street West, Toronto, Ontario	149,500	Not known	Tom & Barnt Limited, 88 Richmond Street West, Toronto, Ontario	74,750	Not known
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16. Names, and addresses of persons whose shareholdings are large enough to materially affect control of the company.	<p>Laver Limited, c/o Bank of Butterfield Executor & Trustee Company Limited, P.O. Box 1735, Hamilton, Bermuda.</p> <p>Laver Limited is a corporation incorporated under the laws of the Island of Bermuda on April 24, 1970. All of the issued shares of Laver Limited are registered in the name of the nominee of the Bank of Butterfield Executor & Trustee Company Limited, as Trustee of the Sundial Trust, which is a discretionary trust. Mrs. Robert J. Opekar and family, among others, are potential beneficiaries under this Trust but Robert J. Opekar has no beneficial interest.</p>																				

SCHEDULE "A"

The Corporation will offer to its shareholders who are of record on a date to be determined by the Board of Directors of the Corporation the right to purchase from treasury at \$2.00 per share one additional share for every eight shares of the Corporation held at the record date. The right will expire on December 28, 1972. Based on the present issued share position of 3,212,012 shares, there will be a maximum of 401,501 shares available to shareholders.

The offering will not be registered under the Securities and Exchange Act of 1933 of the United States and will not be made to shareholders whose addresses are in the United States or any of its territories or possessions. There is understood to be no objection to a United States shareholder selling his rights.

Subscriptions for fractional shares will not be accepted. The rights will be transferable and will be listed on The Toronto Stock Exchange and will be traded in on the Exchange until shortly before the rights expire.

In order that the Corporation be assured receipt of at least \$800,000, Robert J. Opekar, acting as principal, has agreed with the Corporation that at the end of the rights offering he will purchase at \$2.33 per share such number of shares (if any) as must be purchased by him to ensure receipt by the Corporation of the sum of \$800,000 from the offering. The shares so purchased by Robert J. Opekar are for investment purposes and not with a view to resale or distribution of the shares so purchased. In the event the shareholders of the Corporation shall subscribe for sufficient shares to provide the Corporation with \$800,000, Robert J. Opekar will no longer be under any commitment.

The sale of the additional treasury shares by the Corporation is exempt from registration under The Securities Act, 1970, as amended, provided that the Corporation files the required material with the Ontario Securities Commission.

The Corporation has granted to Mr. Cy Hadley, its full time petroleum geologist, options to purchase 15,000 shares of the Corporation over a period of three years ending December 31, 1974 at the price of \$1.40 per share for the first 10,000 shares and \$2.50 for the remaining 5,000 shares provided Mr. Hadley is continually employed by Ram during such period and if not then on a pro rata basis. The option for 10,000 shares exercisable at \$1.40 was granted in February 1972 and the option for 5,000 shares at \$2.50 was granted in August 1972 and the latter option is exercisable between January 1, 1974 and December 31, 1974.

SCHEDULE "B"

OIL AND GAS EXPLORATION

Terminus Pool

All but a small portion of the Corporation's income is earned through the sale of gas from its reef in the Township of Sombra in the County of Lambton, Province of Ontario, known as the Terminus Pool, by agreement dated November 1, 1968 the Corporation agreed to sell to Union Gas Company of Canada, Limited ("Union") 10 billion 168 million cubic feet of gas produced from the Terminus Pool and Union agreed to purchase such gas. As at August 31, 1972 the Corporation had delivered a total of 8,202,761 m.c.f. to Union for total receipts by the Corporation of \$3,374,255.94.

The Corporation's contract with Union requires the Corporation to sell 2,542,000 m.c.f. of gas in each of the four contract years of the agreement which fourth contract year expires on October 31, 1972. During the ten months ended August 31, 1972 the Corporation sold and delivered to Union 1,150,714 m.c.f. leaving a balance of 1,391,286 m.c.f. to be delivered by October 31, 1972 which delivery would result in a gross receipt by the Corporation of \$582,948.

The said contract with Union also provides that Union has the option within a sixty-day period following the date on which the stabilized shut-in well head pressure of the gas in the Terminus Pool reaches 350 p.s.i.g. to cause the Corporation to join with it in the formation of a new gas storage company. In the event of the exercise of the option the Corporation and Union will each purchase 50% of the common shares of the storage company at a nominal price and the storage company will pay the Corporation for all of the gas then in place at the Terminus Pool which assuming delivery of 2,542,000 m.c.f. in the 1972 contract year ending October 31, 1972 and an initial reserve of 12,800,000 m.c.f. would leave 3,205,953 m.c.f. in the Terminus Pool resulting in the payment of \$1,343,295 which together with the receipt of \$582,948 for production gas would result in a total receipt by the Corporation of \$1,926,243 for gas. The Corporation is also entitled to be paid for its well facilities having a book value of \$284,000, resulting in a total payment to the Corporation of \$2,210,243. In the event of the exercise of the option, the Corporation is required to hold any amount received for gas in place and well facilities which, in this case, would amount to \$1,627,295 in trust until ten days after the necessary authorizations have been obtained by the storage company from the appropriate governmental authority designating the Terminus Pool as a gas storage area and authorizing the storage company to inject gas into, store gas in and remove gas from such storage area. The said payment of \$2,210,243 is the minimum payment the Corporation expects to receive and the Corporation intends to negotiate for a greater amount.

The agreement further provides that Union will negotiate and enter into a Storage Service Contract with the storage company ensuring a minimum level of utilization of the storage company's facilities sufficient to enable it to arrange and obtain any financing initially required in respect of its undertaking including the completion of the purchase of the Corporation's assets at the Terminus Pool, and further development expenditures with respect to the designated storage area as may be required to enable the storage company to render service in accordance with such contract.

In view of the demand for gas storage areas in Ontario and the relative short supply the Corporation has no reason to believe that it will not be able to obtain the necessary governmental authority hereinbefore referred to.

The Corporation is dissatisfied with the terms of the said contract with Union, which contract the Corporation feels was forced upon it and has instructed its solicitors to review such contract to determine whether, in their opinion, it is binding on the Corporation.

The Corporation is also engaged in negotiations with Union to renegotiate the contract.

Exploratory Permits

The Corporation is the owner of certain exploratory permits granted by the Federal Government subject to the Canada Oil and Gas Regulations. These regulations confer on the owner the right to be granted an oil and gas lease for a percentage of the permit area subject to a royalty payment in favour of the Crown of 5%. The regulations provided that the Minister shall not grant an oil and gas lease to a permittee for more than one-half of the number of sections in the permit area held by the permittee, the balance of the permit area reverting to the Crown.

Arctic Islands

The Corporation is the owner of four Federal Exploratory Permits for oil and gas in an area of about 179,995 acres in the Sverdrup Basin of the Canadian Arctic Islands.

The Corporation has entered into a farm-out agreement with Imperial Oil Limited with respect to two of the said permits covering an area of about 107,504 acres for Amund Ringnes Island. Imperial Oil Limited can earn a 25% working interest by satisfying work obligations up to August 9, 1980 in the amount of \$279,510. Imperial has the option of increasing its interest to 100%, subject to a 20% net profits interest to the Corporation, by drilling an exploratory well. The said farm-out agreement is subject to Imperial Oil entering into an agreement with Dome Petroleum Limited and Panarctic Oils Limited in connection with work in this area. Although such agreement has not been signed, the Corporation expects that it will be executed in the near future.

Panarctic Oils Limited and partners have made significant natural gas discoveries on Melville, King Christian and Ellef Ringnes Islands over the past three years. In early March of this year Panarctic discovered oil on Ellesmere Island. The high success ratio of arctic exploratory drilling has prompted the entry of a significant number of major oil and gas and also utility companies into this play.

It is significant to note that these holdings are all within this area of extremely high potential for delineating major gas and oil reserves. The said permits offshore Amund Ringnes Island are approximately twenty-seven miles from Imperial Panarctic Dome et al Hoodoo L-41 located on the flank of the Hoodoo Dome of Ellef Ringnes Island. These permits are no more than fifty miles from the prolific gas discovery on King Christian Island. Similar structural stratigraphic conditions are postulated to extend under these permits.

The Corporation has entered into a farm-out agreement with Forest Oil of Canada Limited ("Forest Oil") with respect to the remaining two Federal permits covering an area of about 72,491 acres located on an offshore Axel Heiberg Island. Forest Oil can earn a 25% working interest by satisfying work obligations up to August 9, 1980. Forest Oil has the option of increasing its interest to 100% subject to a 7 1/2% gross overriding royalty in favour of the Corporation, by drilling an exploratory well. If Forest Oil drills an exploratory well it will earn an additional 50% working interest in the other permit area.

These holdings are underlain in part by significant anticlines and are relatively close to several wells proposed for drilling under the Drill Arctic Program of Horn River Resources. In addition, the discovery of oil in the Panarctic Romulus L-42 well on nearby Ellesmere Island enhances the hydrocarbon potential of Axel Heiberg Island.

The initial term of the said four permits expires on August 9, 1974 but on compliance with Federal regulations the term is renewable from year to year for an additional six years.

Off Shore Baffin Island

The Corporation is the owner of exploratory permits for oil and gas in an area covering about 1,087,410 acres in the Labrador Sea off the east coast of Baffin Island in the Cumberland Basin adjacent to permits held by Imperial Oil Limited, Banff Acquitaine and Siebens.

The Corporation considers this area to be a very prospective area where sediments up to and beyond 20,000 feet are expected to contain large reserves of hydrocarbons. The Canadian Petroleum Association's estimate of potential reserves in the area of the Grand Banks and Labrador Sea is 25 billion barrels of oil and some 150 trillion cubic feet of natural gas.

In 1971 the Corporation farmed out its holdings in this area to Gulf Canada Limited ("Gulf"). Gulf can earn a 33 1/3% interest by performing exploratory work and maintaining the permits in good standing and will have the option to earn up to 80% interest for maintaining the permits in good standing for an additional two years and for the drilling and completion of an exploratory well. An aeromagnetic survey was completed during 1971 and seismic surveys are planned by Gulf for 1972. The initial term of the said permits expires on August 9, 1974 but, upon compliance of Federal regulations, the term is renewable from year to year for an additional six years.

The Corporation is the owner of exploratory permits for oil and gas in an area covering about 97,092 acres in the Foxe Basin off the west coast of Baffin Island. This basin, although small in aerial extent, is located in the Arctic lowlands where Lower Paleozoic rocks are considered by the Corporation to be prospective for oil and gas. The initial term of the said permits expires on August 17, 1977 but, upon compliance of Federal regulations, the term is renewable from year to year for an additional six years.

Northwest Territories (Great Bear Basin)

The Corporation is the owner of Exploratory Permits for oil and gas covering an area of about 239,811 acres in Keith Arm of the Great Bear Lake and an area of about 297,464 acres north of Great Bear Lake. In addition the Corporation has an 80% interest in 252,594 acres north of Great Bear Lake.

The said acreage lies near the eastern edge of a wedge of Paleozoic and Mesozoic sediments that hold potential for finding significant hydrocarbon reserves. It is also relatively close to a proposed gas pipeline route from Alaska and the Arctic Islands through the MacKenzie River Valley. The Corporation has participated with Alminex and others in a joint marine reflection seismic survey carried out during 1971 over separately held permits in Keith Arm of Great Bear Lake. The results of this program are presently being evaluated. The Corporation is presently conducting a seismic survey over the permits held north of Great Bear Lake, which acreage is adjacent to substantial acreage held by Mobil.

The initial term of the said permits expires on June 26, 1973 for 239,811 acres and on July 9, 1973 for 297,464 acres renewable for a further four years and upon a satisfactory amount of explorative work having been done, confer upon the holder the right to select leases, usually covering one-half of the area. The said leases are subject to royalty payments in favour of the Crown determined in accordance with production rates. In the Northwest Territories, information as to exploratory wells may be withheld for two years. This right of non-disclosure may permit the exploratory well owner to purchase additional land in the vicinity of the discovery on advantageous terms, thus providing such a company with a temporary competitive advantage.

British Columbia (Bowser Basin)

The Corporation has recently entered into an agreement with Dome Petroleum Limited, Hamilton Brothers Canadian Gas Limited, Bethlehem Copper Corporation Limited, Ashland Oil Canada Limited and Yellowknife Bear Mines Limited, whereby Ram will earn a 2% interest in a test well to be drilled on or before December 31, 1972 plus a 2% interest in oil and gas permits on 1,486,915 acres located in the Bowser Basin of north west British Columbia. The cost to the Corporation is 2 1/2% of the cost of the well, an estimated \$62,500.

Hudson Bay (Hudson Bay Basin)

The Corporation acquired an 80% interest in 124,488 acres under Federal exploratory permit in Hudson Bay. This holding is located near the centre of a prospective sedimentary basin which has been compared geologically to the Western Canada and the Michigan Sedimentary Basins. Prospects for hydrocarbon accumulation in beds ranging from Cambrian through Devonian age are considered good and in the order of 6,000 feet of sedimentary section is postulated to underlie the permits. The Corporation's acreage is adjacent to or nearby acreage held by companies such as Aquitaine, Mobil, Dome and Western Decalta. The Corporation intends to participate in seismic programs to satisfy work commitments.

New Brunswick

The Corporation is the owner of exploratory permits for oil and gas covering an area of about 65,000 acres offshore New Brunswick and the Gaspe Peninsula, where at least 6,000 feet of Permocarboniferous sediments are believed to be present extending to a maximum of 25,000 feet basinward from the permits.

No information has been released on three wells drilled in the gulf to date; however, prospective reservoir potential is believed to exist. Silurian reef exposures have been examined on the Gaspe Peninsula immediately to the west of the permits and rocks of Mississippian age produce oil and gas at Stoney Creek near Moncton. The Corporation's permits are adjacent to those held by Amoco Canada and Hudson's Bay Oil & Gas.

Ontario

The Corporation has in excess of 23,900 carefully selected acres under lease in the pinnacle reef belt of Lambton County, Southwestern Ontario, where the Corporation's Terminus Pool was discovered in 1968. During 1971 the Corporation participated in the drilling of three exploratory wells, two of these were farmed in from a major gas utility, but proved to be dry. The third was a 100% company owned exploratory test drilled on a prospect generated through geological and other studies conducted by the Corporation over the past two years. This test resulted in the discovery of a marginal oil well which may indicate the presence of a nearby pinnacle reef. The well has been suspended pending further geophysical evaluation of the area. In 1972 the Corporation drilled a second well in this vicinity. Although this was a dry hold, anomalous conditions were encountered and the Corporation has recently conducted additional seismic work. The interpretation of the seismic work has not been completed as of this date.

Approximately eight miles of seismic work was conducted over various prospects during 1971 and results were encouraging. An additional twelve miles of seismic has been recently completed over additional prospects. It is anticipated that between four and seven exploratory tests on separate prospects will be drilled in 1972.

The Corporation has completed the drilling of Ram #15 well at Petrolia, in the Township of Enniskillen, Ontario. Oil was encountered in a Silurian pinnacle reef formation from a depth of 1994' to 2120'. Based on swabbing tests the estimated daily production from this well is expected to be 150 barrels of oil per day. Two additional wells are currently being drilled in the vicinity of this oil discovery.

The Corporation's leases generally require the payment of an annual rental of \$5.00 per acre and confer on the lessee the right to explore for and recover oil and gas from the property for an initial term ranging from 1 year to 5 years and so long thereafter as there is commercial production. The leases provide that the lessee pays all of the development and operating costs and is entitled to all of the production subject to a royalty ranging from 5% to 12 1/2% of the value of production. None of the said leases is subject to an overriding royalty, net profits or other similar interest.

Michigan

The Corporation's wholly owned subsidiary, Ram Petroleum Inc., holds in excess of 20,200 net acres under lease in the State of Michigan, approximately two-thirds of which is located in the North Michigan pinnacle reef play where "vibroseis" methods of seismic shooting has been extremely successful in detecting large Silurian pinnacle reefs bearing oil and gas. This play began in 1968 and to date about 25 reefs have been discovered. Individual reef structures along the "reef fairway" have proven original reserves as high as 50 b.c.f. of gas and individual oil wells have been rated as highly as 1000 B.O.P.D. In 1971 Ram Petroleum Inc. and a partner farmed out a portion of the north Michigan acreage under a seismic option to Michigan Consolidated Gas Company, Detroit. Ram Petroleum Inc. has agreed to participate in the geophysical evaluation of a portion of this acreage in order not to dilute its interest. Seismic shooting was completed by this company in partnership with Ram Petroleum Inc. toward the end of 1971 with encouraging results. The Corporation is hopeful of participating in the drilling of at least one exploratory well. One development well could be spudded prior to year end as a south offset to a recently drilled reef discovery well in Kalkaska County which reef was discovered by Amoco.

Ram Petroleum Inc. leases generally cost about \$5.00 per acre and confer on the lessee the right to explore for and recover oil and gas from the property for an initial term ranging from one to five years and so long thereafter as there is commercial production. The leases provide that the lessee pays all of the development and operating costs and is entitled to all of the production subject to a royalty ranging up to 12 1/2%. None of the said leases is subject to an overriding royalty, net profits or other similar interest, except 2,691 net acres in Clinton County subject to a 1/32 gross overriding royalty in favour of the Alaskan Oil Company.

Nova Scotia and New Brunswick

Offshore Nova Scotia

The Corporation has provincial Exploratory Permits on 626,970 acres offshore Nova Scotia on the Scotian shelf where exploratory drilling is being carried out by Shell and Mobil. In 1971 Mobil made a significant oil and gas discovery on Sable Island which gives every indication of being a find of major proportion and confirms geological opinion that the Scotian Shelf has the makings of a major

hydrocarbon province. Shell's Primrose N50 exploratory test located approximately three miles west of one of the Corporation's provincial permits recently encountered oil and gas. This indicates the excellent exposure the permits have to recent discoveries in this area. The Company does not have the coinciding Federal permits on its offshore acreage which permits are held by other oil and gas companies. There are negotiations in progress between the Federal and Provincial Governments in connection with the right of the Province to grant the said permits and the status of the Corporation's permits will have to await the outcome of these negotiations. The Corporation has presented a memorandum to the Federal Government with respect to the reconciliation of working interests in federal and provincial permits where such coinciding interests are held by different companies.

Mainland Nova Scotia

The Corporation has Provincial Exploratory Permits on 259,019 acres of mainland Nova Scotia. This land is situated over three minor carboniferous basins which offer the possibility of finding production and reserves similar or better to those of the Stoney Creek Field near Moncton, New Brunswick, which is located in a similar geological province.

New Brunswick

The Corporation has 316,800 acres under Provincial Exploratory Permit in North Eastern New Brunswick on the rim of a possible basin extending under the Gulf of St. Lawrence. Permocarboniferous sediments from 3,000 to 5,000 feet in thickness are postulated to underlie these onshore permits and prospective horizons include sandstone beds that are responsible for production in the Stoney Creek Fields near Moncton. The Corporation's acreage is located adjacent to the holdings of New Brunswick Oilfields and Hudson's Bay Oil & Gas.

MINING EXPLORATION

Lignite Coal

The Corporation has taken out coal permits in seven blocks covering approximately 247,200 acres in Saskatchewan. These permits are located within 200 miles south and southwest of Regina.

The Corporation has recently concluded a reconnaissance drilling program on these permits which has not indicated any commercial seams.

Tremolite

The Corporation has a 50% interest in a tremolite prospect consisting of six claims in Palmerston Township, Ontario.

Tremolite is magnesium silicate with properties similar to talc. It may be used as bulk filler for products such as linoleum tile and rubber, and, in its most refined form, in the ceramic plastic, and paint industries. Prices for the bulk material range from \$18.00 per ton for the lower grades to \$45.00 per ton for the most refined grades with very high brightness.

During 1971 the prospect was tested with four drill holes totalling 1200 feet of drilling. Preliminary indications are that a substantial deposit of tremolite exists. Initial tests on core samples indicate that the tremolite can be beneficiated. However, much work remains to be done before reserves with respect to tonnage and grade can be determined and the economics of the potential products and market worked out.

Molybdenum

The Corporation holds a 50% interest in twenty-four claims in the Pabineau Lake area, southwest of Bathurst, New Brunswick. A geochemical survey for molybdenum in 1971 indicated anomalous conditions, mostly on one claim. It is planned to trench this area in 1972 in order to examine and sample any molybdenum mineralization. Adjacent claims to the east are held by Imperial Oil Enterprises Limited.

MEXTOR MINERALS LIMITED

Through investments made over the past two years the Corporation now owns 91.44% of the issued shares of Mextor Minerals Limited.

Mextor, through its Mexican affiliate, Compania Minera de Pinabete S.A., is actively exploring several mineral prospects in Mexico, the most important of which are: Pinabete, Calabaza and La Domenica.

Pinabete is a silver-gold prospect which was mined by primitive methods until the early part of the century. During the past two years considerable work has been done in rehabilitating the old workings in the mine to determine whether mining operations could profitably be resumed.

While diamond drill tests proved inconclusive, drifting along the veins proved encouraging. The silver veins seem to consist of zones of high grade ore separated with non-commercial ore. On the basis of work done to date true ore reserves cannot be stated. However, the inferred potential of the area appears to be about 500,000 tons of ore in distinct and separate shoots, averaging about 15 ozs. silver per ton and 50¢ of gold per ton.

The consulting geologist recommended that a modest mining operation be commenced in order to exploit at least the known mineable ore and provide an income for further development work. Nevertheless management felt that in the long run it would be better to wait until silver prices had recovered from their current depressed levels so that profits would be greater. In the meantime, however, work will concentrate on a newly acquired property, La Domenica.

La Domenica is a porphyry copper prospect located within a block of mining claims which at present cover an area of nearly 50 square miles about 100 miles southeast of Guadalajara. Staking of these claims is at various stages of completion. Government approval of the staking has, in most part, not yet been received. However, the Corporation foresees no problem with respect to this matter and believes that it has properly complied with all Government regulations. Extensive green copper staining is visible. Asarco have a producing copper mine in the general area. Patino, through Lytton Minerals, has an indicated 64 million ton deposit and Placer Development and Noranda also have properties in this vicinity.

All of the properties, including La Domenica, are in a trend which may conform to a major structural pattern. La Domenica will have first priority in the development program in Mexico for the current year. A six mile road is currently being bulldozed into La Domenica, which will give, shortly, access via truck. Geochemical silt sampling of stream beds is also underway. When the road is completed, the bulldozer will be retained for trenching for a few days in areas of known copper mineralization.

SCHEDULE "C"
RAM PETROLEUMS LIMITED

MARKETABLE SECURITIES & BONDS - AUGUST 31, 1972

<u>BONDS</u>		<u>COST</u>	<u>CURRENT PRICE</u>	<u>MARKET VALUE AUG. 31/72</u>
200,000	Gov't. of Canada 8% - Oct. 1/74	204,312.50	104.75	209,500.00
100,000	Gov't. of Canada 5½% - Apr. 1/76	<u>97,937.50</u>	96.50	<u>96,500.00</u> 306,000.00

<u>STOCKS</u>				
35	Bountiful Holdings	35.00	-	35.00
5,000	Electronics Assoc. of Canada	15,362.50	4.65	23,250.00
75,100	Magnetics International	87,471.37	1.15	86,365.00
10,000	Trans-Air	25,588.00	3.95	39,500.00
25,000	Yellowknife Bear Mines	116,808.86	4.10	102,500.00
3,500	Kiena	4,898.10	1.51	5,285.00
10,000	Pinetree Explorations	<u>2,500.00</u>		<u>2,500.00</u>
				<u>252,663.83</u>
				<u>554,913.83</u>
				<u>269,435.00</u>
				<u>575,435.00</u>

FINANCIAL STATEMENTS

RAM PETROLEUMS LIMITED
(Incorporated under the laws of Ontario)
and consolidated subsidiaries

CONSOLIDATED BALANCE SHEET - JUNE 30, 1972
(unaudited)

ASSETS

CURRENT ASSETS

Marketable securities at cost (quoted market value \$264,163)	\$ 253,338
Accounts receivable	25,052
Prepaid expenses	<u>1,703</u>
	<u>280,093</u>

INVESTMENT IN SUBSIDIARY COMPANY

Mextor Minerals Limited at cost (note 1)	<u>701,984</u>
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CAPITAL ASSETS

Interest in natural gas and oil leases and mining claims at cost, less amortization	196,970
Equipment, at cost less accumulated depreciation	54,544
Development costs deferred, less amortization	140,549
Improvements to leased premises, less amortization	1,124
Exploration and prospecting permits and licences, at cost (note 2)	<u>471,640</u>
	<u>864,827</u>

OTHER ASSETS

Government of Canada bonds, at cost (quoted market value \$306,625) on deposit (note 3)	302,250
Other shares, at nominal value	1
Land	37,079
Deferred exploration and prospecting expenditures	216,684
Sundry deposits and advances	<u>22,825</u>
	<u>578,839</u>
	<u>\$2,425,743</u>

LIABILITIES

CURRENT LIABILITIES

Bank overdraft	\$ 129,902
Accounts payable and accrued liabilities	119,858
Income taxes payable	<u>128,702</u>
	<u>378,462</u>

LONG TERM DEBT (note 5)

Convertible non-interest bearing note due December 22, 1981	<u>375,000</u>
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DEFERRED INCOME TAXES

193,000

SHAREHOLDERS' EQUITY

CAPITAL STOCK (note 5 (a))

Authorized	
150,000 6% Non-cumulative preference shares, redeemable at par value \$1.00	
8,000,000 Common shares, par value \$.25	
Issued	
3,062,012 Common shares	765,503
Deduct discount less premium on issue of shares	<u>11,200</u>
	754,303

RETAINED EARNINGS

724,978
1,479,281

\$2,425,743

Approved on behalf of the Board
of Directors

Director

Director

RAM PETROLEUMS LIMITED
and consolidated subsidiaries

CONSOLIDATED STATEMENT OF RETAINED EARNINGS (DEFICIT)

	Six Months Ended <u>June 30/72</u> (unaudited)	Year Ended <u>Dec. 31/71</u>	Year Ended <u>Dec. 31/70</u>	Year Ended <u>Dec. 31/69</u>
Retained earnings (deficit) at beginning of period	\$698,549	\$157,880	\$(676,034)	\$(463,990)
Net income (loss) for period	<u>26,429</u>	<u>540,669</u>	<u>833,914</u>	<u>(212,044)</u>
Retained earnings (deficit) at end of period	<u>\$724,978</u>	<u>\$698,549</u>	<u>\$ 157,880</u>	<u>\$(676,034)</u>

RAM PETROLEUMS LIMITED
and consolidated subsidiaries

CONSOLIDATED STATEMENT OF SOURCE AND APPLICATION OF FUNDS

	Six Months Ended <u>June 30/72</u> (unaudited)	Year Ended <u>Dec. 31/71</u>	Year Ended <u>Dec. 31/70</u>	Year Ended <u>Dec. 31/69</u>
SOURCE OF FUNDS				
Net income (loss) for the period	\$26,429	\$ 540,669	\$ 833,914	\$(212,044)
Items not involving current funds				
Deferred income realized during year		(369,435)	(780,811)	11,785
Depreciation and amortization	27,345	135,004	158,111	102,340
Abandoned well costs and mining claims		72,952	69,312	
Deferred exploration and prospecting expenditures written off		18,377		
Organization expense written off			1,014	
Deferred income taxes	(6,000)	15,000	184,000	
Investment written off			20,754	
Write down of other shares	<u>47,774</u>	<u>2,376</u>	<u>486,294</u>	<u>(97,919)</u>
Reclassification of shares as marketable securities under current assets		414,943		
Proceeds from sale of equipment		446,551	78,304	
Long term portion of amount payable on acquisition of exploration and prospecting permits		375,000	1,775	
Deferred income	<u>47,774</u>	<u>1,236,494</u>	<u>566,373</u>	<u>927,352</u>
				<u>829,433</u>

RAM PETROLEUMS LIMITED
and consolidated subsidiaries

CONSOLIDATED STATEMENT OF SOURCE AND APPLICATION OF FUNDS (Continued)

	Six Months Ended June 30/72 (unaudited)	Year Ended Dec. 31/71	Year Ended Dec. 31/70	Year Ended Dec. 31/69
APPLICATION OF FUNDS				
Additions to capital assets	\$ 88,502	\$ 564,421	\$ 148,038	\$ 230,307
Increase in sundry deposits and advances	1,925	3,082	8,879	5,839
Investment in Mexcor Minerals Limited	146,492	430,967	124,525	
Increase in other assets				
Government of Canada bonds		73,875	178,250	50,125
Other shares		2,100	484,545	61,342
Land			1,273	35,806
Exploration and prospecting expenditures	64,433	150,629	19,998	1,014
Organization expense	<u>301,352</u>	<u>1,225,074</u>	<u>965,508</u>	<u>384,433</u>
Increase (decrease) in working capital	(253,578)	11,420	(399,135)	445,000
Working capital at beginning of period	<u>155,209</u>	<u>143,789</u>	<u>542,924</u>	<u>97,924</u>
Working capital (deficiency) at end of period	<u>\$ (98,369)</u>	<u>\$ 155,209</u>	<u>\$ 143,789</u>	<u>\$ 542,924</u>

RAM PETROLEUMS LIMITED
and consolidated subsidiaries

CONSOLIDATED STATEMENT OF INCOME

	Six Months Ended June 30/72 (unaudited)	Year Ended Dec. 31/71	Year Ended Dec. 31/70	Year Ended Dec. 31/69
INCOME				
Gas sales	\$277,887	\$ 995,548	\$ 940,194	\$ 2,284
Current Deliveries for which payment had been received in prior years	<u>277,887</u>	<u>369,435</u>	<u>780,812</u>	<u>2,284</u>
Oil sales	<u>3,375</u>	<u>10,365</u>	<u>16,954</u>	<u>8,397</u>
Less expenses	<u>281,262</u>	<u>1,375,348</u>	<u>1,737,960</u>	<u>10,681</u>
	<u>33,831</u>	<u>138,014</u>	<u>167,021</u>	<u>8,235</u>
Interest and dividends earned	<u>247,431</u>	<u>1,237,334</u>	<u>1,570,939</u>	<u>2,446</u>
	<u>6,519</u>	<u>34,518</u>	<u>38,861</u>	<u>26,910</u>
	<u>253,950</u>	<u>1,271,852</u>	<u>1,609,800</u>	<u>29,356</u>
EXPLORATION AND DEVELOPMENT EXPENSE				
Abandoned well costs, leases and mining claims	<u>11,984</u>	<u>136,735</u>	<u>198,174</u>	<u>102,340</u>
Oil, gas and mining consulting fees	<u>29,510</u>	<u>9,688</u>	<u>13,487</u>	<u>1,800</u>
Lease and royalty payments	<u>98,994</u>	<u>142,874</u>	<u>51,794</u>	
Exploration expenses	<u>13,955</u>	<u>98,084</u>	<u>18,758</u>	
	<u>154,443</u>	<u>387,381</u>	<u>282,213</u>	<u>104,140</u>

RAM PETROLEUMS LIMITED
and consolidated subsidiaries

CONSOLIDATED STATEMENT OF INCOME (Continued)

	Six Months Ended June 30/72 (unaudited)	Year Ended Dec. 31/71	Year Ended Dec. 31/70	Year Ended Dec. 31/69
ADMINISTRATIVE AND GENERAL EXPENSES				
Management fees	\$ 27,000	\$ 54,000	\$ 42,500	\$ 37,000
Directors' fees	4,500	9,000	9,000	5,250
Rent	8,645	16,140	7,323	7,765
Depreciation of office equipment and amortization of improvements to leased premises	3,001	7,442	4,689	4,991
Salaries	38,403	55,557	19,104	9,689
Travel expense	2,874	14,982	11,692	5,949
Legal and audit	21,174	20,117	51,900	25,363
Shareholders' expense	7,383	1,463	5,118	2,352
Secretarial and accounting fees	1,039	2,452	2,659	1,491
Bank charges and interest expense	69	298	279	3,888
Corporate and office expense	7,220	13,234	7,640	7,186
Bad debt expense		53		
Organization expense			67,146	
Miscellaneous expense	2,281	7,188	1,014	3,269
	<u>123,589</u>	<u>201,926</u>	<u>235,749</u>	<u>114,193</u>
	<u>278,032</u>	<u>589,307</u>	<u>517,962</u>	<u>218,333</u>
Income (loss) before undernoted items	<u>(24,082)</u>	<u>682,545</u>	<u>1,091,838</u>	<u>(188,977)</u>
INCOME TAXES				
Current (recoverable)	(12,000)	208,500	46,227	
Deferred		15,000	184,000	
Subject to reduction	<u>(12,000)</u>	<u>223,500</u>	<u>321,000</u>	
			<u>551,227</u>	
Income (loss) before extraordinary items	<u>(12,082)</u>	<u>459,045</u>	<u>540,611</u>	<u>(188,977)</u>

RAM PETROLEUMS LIMITED
and consolidated subsidiaries

CONSOLIDATED STATEMENT OF INCOME (Continued)

	Six Months Ended June 30/72 (unaudited)	Year Ended Dec. 31/71	Year Ended Dec. 31/70	Year Ended Dec. 31/69
EXTRAORDINARY ITEMS				
Income tax reduction realized on application of unrecorded tax benefit at December 31, 1969	\$25,030	\$ 97,481	\$321,000	
Profit on sale of securities			(6,943)	
Loss on currency transactions				
Provision for decline in market value of marketable securities (reversed in 1972)	13,481	(13,481)	(20,754)	
Other shares written down and written off		(2,376)		
Legal and security guard expenses in connection with action against the company and its officers				
	<u>38,511</u>	<u>81,624</u>	<u>293,303</u>	<u>\$ (23,067)</u>
	<u>\$26,429</u>	<u>\$540,669</u>	<u>\$833,914</u>	<u>\$ (212,044)</u>
Net income (loss) for the period				
EARNINGS (LOSS) PER SHARE (note 6)				
Income (loss) before extraordinary items	\$ (.004)	\$.15	\$.18	\$ (.06)
Net income (loss) for the period	.009	.18	.27	(.07)

RAM PETROLEUMS LIMITED
and consolidated subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

JUNE 30, 1972

1. SUBSIDIARY COMPANIES

The consolidated financial statements include the accounts of its wholly-owned subsidiary companies, Ram Petroleum Inc. (from incorporation on July 25, 1969) and Fibrop Mines and Oils Limited. At June 30, 1972 the company owned 91.44% of the issued shares of Mextor Minerals Limited. The accounts of Mextor have not been consolidated with the company as it is in the development stage. The auditors' report of Mextor Minerals Limited on the financial statements for the year ended September 30, 1971 states that the company had deferred expenditures of \$462,027 at September 30, 1971 and the recovery of these expenditures is dependent upon the future commercial productivity of the exploration projects of Compania Minera de Pinabete, S.A.

2. EXPLORATION AND PROSPECTING PERMITS AND LICENCES

The Company has entered into farm-out agreements with respect to its exploratory permits in the Canadian Arctic Islands and the Labrador Sea. Details of the farm-out agreements are set out on pages and of the Filing Statement.

3. GOVERNMENT OF CANADA BONDS ON DEPOSIT

The company has deposited \$300,000 par value Government of Canada bonds having a cost of \$302,250 as a guarantee that exploration expenditures equal thereto will be made.

4. LETTERS OF CREDIT

Letters of credit in the amount of \$60,614 are on deposit to guarantee exploration work obligations outstanding at June 30, 1972. The company has made a general assignment of debts and various properties under Section 82 of The Bank Act.

5. CAPITAL STOCK

- (a) The holder of the convertible non-interest bearing note has converted the note into 150,000 common shares of the company's capital stock, which shares were issued on August 11, 1972.
- (b) The company has reserved 15,000 shares of its common shares pursuant to the granting of an employee stock option. 10,000 shares must be purchased by December 31, 1973 at a price of \$1.40 per share and the remaining 5,000 shares must be purchased by December 31, 1974 at a price of \$2.50 per share.
- (c) The company has decided to offer to its shareholders who are of record at October , 1972 the right to purchase from treasury at \$2.00 per share one additional share for every eight shares held as of such record date. If all of the subscriptions are exercised there will be a further 401,501 shares issued by the company.

6. EARNINGS (LOSS) PER SHARE

Fully diluted earnings (loss) per share for the six months ended June 30, 1972 assuming the conversion of the long term debt into 150,000 common shares and the exercise of the option on 15,000 common shares of the company's capital stock:

Loss before extraordinary items	\$(.004)
Net income for the period	.008

7. LOAN BY PRESIDENT

The President of the Corporation loaned the Corporation \$600,000 which was used by the Corporation to retire its bank indebtedness in the amount of \$425,151 with the balance being applied to working capital. The said loan will be repaid by the Corporation out of the proceeds of the rights offering referred to in the above note 5(c).

ENGINEER'S REPORT

ONTARIO MICHIGAN BASIN

Ram has 23,902 acres under lease in Lambton County, Southwestern Ontario. This acreage lies within the most prolific portion of the Silurian pinnacle reef belt in Ontario i.e. Sombra, Dawn, Moore and Enniskillen Townships where salt plugging is relatively absent and the majority of reefs are found to be hydrocarbon bearing. Pay zones in excess of 350' are common with the bulk of the zone bearing gas with excellent deliverability. Gas reserves found in pinnacle reef structures in this portion of the pinnacle reef belt range from 3 to 42 b.c.f. Ram's acreage is concentrated, for the most part, over anomalous geological conditions felt to be associated with pinnacle reefing. The majority of these reef prospects have been upgraded through the shooting of 600% C.D.P. Seismic.

Ram's 1972 drilling program began with the drilling of Ram #16 in Dawn Township. This test was a 3000' offset to a marginal oil producer drilled by Ram in 1971. The offset well encountered an anomalous Guelph section, considerably thicker and structurally higher than the discovery well, however, proved to be relatively tight with an absence of hydrocarbons. Further geological evaluations of this area are presently being carried out.

The second exploratory test in Ram's 1972 drilling program is located in Enniskillen Township, 1/2 mile east of the Town of Petrolia, and over a portion of the old Petrolia, Shallow Devonian oil field (production for over 100 years from a depth of 460'). Ram #15 encountered a Silurian pinnacle reef at 1764' (-1093'). The upper 224' of reef structure was found to be tight. Oil was encountered at 1924' and the oil section was penetrated to 2120' where drilling was terminated. Radioactivity logs indicate a gross pay section of 125' with 105' being net with an average porosity of 10%. Bottom hole pressure has been determined as 843 p.s.i. Swab tests prior to installation of pump indicate a realistic daily oil production of 150 B.O.P.D. Two cable tool drills are presently drilling. Ram #17 is drilling 2000' southwest and Ram #18 is drilling 2400' south of Ram #15. Reserve calculations cannot accurately be made at this time and are pending the information derived from additional drilling, however, seismic data indicates that the reef covers an area in excess of 200 acres so oil reserves are felt to be substantial. Two additional reef prospects which have been upgraded through Seismic are expected to be drilled elsewhere in Lambton County before the year end.

MICHIGAN (Michigan Basin)

Ram Petroleum Inc., a wholly owned subsidiary of Ram Petroleum Limited has in excess of 20,200 net acres under lease in the State of Michigan, all of which is in the Lower Peninsula. Approximately 2/3 of this acreage is located in the northern portion of the peninsula where a pinnacle reef play has been conducted since 1968 and now increasing in momentum due to a very high success ratio attributable to the "Vibroseis" seismic method of detecting Silurian reef structures. Individual reef structures along the "reef fairway" have proven original reserves as high as 50 b.c.f. of gas and individual oil wells have been rated as highly as 1000 B.O.P.D. In 1971, Ram Inc. and a partner farmed out a portion of this acreage under a seismic option to Michigan Consolidated Gas Company, of Detroit. In order not to dilute its interest in a highly prospective portion of this acreage, Ram Inc. has participated in the geophysical evaluation. The seismic survey has now been completed and results would appear encouraging enough to assure that one exploratory test should be spudded this coming fall or winter in Otsego County.

One development well could be spudded prior to year end as a south offset to a recently drilled reef discovery well in Kalkaska County. This reef was discovered by Amoco. Ram Inc. and partner have 60 acres in a 160 acre drainage unit south of the discovery well.

In addition to acquiring oil and gas leases Ram has in recent months invested \$77,932.50 in oil and gas royalty interests coincident with possible pinnacle reef drill targets.

In the central portion of the Basin, Ram Inc. has approximately 4000 net acres under lease. Several oil pools of Devonian age have recently been discovered in this area which has yielded many Devonian oil fields over the years and has accounted for the bulk of Michigan oil and gas production to the present time. In addition the southern most portion of this acreage is postulated to extend into the newly discovered area of pinnacle reefing in south central Michigan where pinnacles equally prolific to those found in the north play have been discovered by Mobil Oil Corporation.

In southern Michigan, Ram Inc. has about 1100 net acres under lease, east of the gas and oil bearing Scipio-Albion Trend which produces from a dolomitized fracture-fault zone in the Trenton-Black River group of rocks of Ordovician age. A well drilled in 1971, in the area of Pam's acreage encountered oil from a dolomitized section of the Trenton-Black River formations. Several attempts by industry to delineate a field has been discouraging; however, due to the "En echelon" nature of the fracture-fault system several more tests may be necessary and forthcoming.

DATED this 21st day of September, 1972.



[Handwritten Signature]

J. Hadley, P. Geol., P. Eng.
 Meridene Crescent East,
 London 22, Ontario.

CERTIFICATE

I, CYRIL JOSEPH HADLEY, Petroleum Geologist,
of 28 Meridene Crescent East, London 22, Ontario, do declare:

1. That I graduated as a Geologist from Saint Francis Xavier University, Antigonish, Nova Scotia, with the degree of Bachelor of Science, Honours Geology in the year 1953.
2. That I am a member of The American Association of Petroleum Geologists, The Michigan Basin Geological Society, The Edmonton Geological Society, and that I am a registered Professional Engineer in the Province of Ontario.
3. That I have no interest direct or indirect, nor do I expect to receive any interest, direct or indirect, in the properties described in the attached report entitled "Engineer's Report Held by Ram Petroleums Ltd. and Ram Petroleums Inc. September 21, 1972.

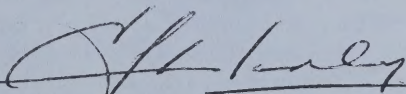
I presently hold 5,000 common shares of Ram Petroleums Limited and have been granted an employee stock option to purchase 15,000 shares of Ram Petroleums Limited over a period of three years.

4. The above report is based on my geological knowledge, field reports from geological consultants employed by the Corporation and upon consideration of other pertinent, geological, geophysical and engineering data.

DATED this 21st day of September, 1972.

28 Meridene Crescent East,
London 22, Ontario.




J. Hadley, P. Geol., P. Eng.

17. If assets include investments in the shares or other securities of other companies, give an itemized statement thereof showing cost or book value and present market value.	See Schedule "C" on page 11.
18. Brief statement of any lawsuits pending or in process against company or its properties.	none
19. The dates of and parties to and the general nature of every material contract entered into by the company which is still in effect and is not disclosed in the foregoing.	none
20. Statement of any other material facts and if none, so state. Also state whether any shares of the company are in the course of primary distribution to the public.	<p>No other material facts.</p> <p>No shares are presently in the course of distribution to the public.</p>

CERTIFICATE OF THE COMPANY

DATED September 27, 1972

The foregoing, together with the financial information and other reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above and in respect of the company's affairs and there is no further material information applicable. (To be signed by two principal signing officers who are directors and the corporate seal to be affixed.)

"R.J.Opekar." *R J Opekar*

"R.H.Krempulec." *R H Krempulec*

CERTIFICATE OF UNDERWRITER OR OPTIONEE

CORPORATE SEAL

To the best of my knowledge, information and belief, the foregoing, together with the financial information and the reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above in respect of the company's affairs. Concerning matters which are not within my knowledge, I have relied upon the accuracy and adequacy of the information supplied to me by the company. (To be signed by underwriter or optionee registered with the Ontario Securities Commission or a corresponding body.)